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Daily Diary, O/RR, 2 March 1951

D/S: The Supreme Soviet has announced its 1951 military budget, which is about 22 per cent above 1950. A rough estimate of the total USSR military expenditures for 1951 may amount to 24 to 26 billion dollars (including the hidden or concealed items) - or about 218 billion rubles.

Action: To DCI Daily Diary; AD/RR information.

*DCI Daily per MFM*

D/I: A rumor that an agreement has been concluded between N. V. Philips Gloeilampenfabrieken of Holland (world's largest telecommunications manufacturer) and the United States Department of Defense, appears to have some substantiation. The rumored agreement calls for allocation of all raw materials for European electronics industry to Philips. This may mean American buyers of electronics equipment in Europe may have to deal solely with Philips.

The weight of evidence justifies questioning the security of the Philips global organization, if such an agreement has in fact been concluded, with respect to items subject to United States Export control that may be shipped by Philips to the Soviet Orbit.

Action: To DCI Daily Diary. Further detail in original D/I memo to AD/RR today.

*DCI Daily per MFM* 25X1A  
suggests no, alc method of gaining info. MFM advised.

- D/A:
- Conferred with O/CD, State, O/SI on State submission of draft letter from State to Commerce on control of exports of technical data. O/SI preparing letter on same subject for signature of DCI. (8 March 1951)
  - Submitted complete draft of 2-51.
  - Presented Chairman of R Procedure Subcommittee with intelligence on corporate relationship among Belgian firms of St. Generale Metallurgique de Hoboken, Societe Generale des Minerais, Societe Generale de Belgique and Union Miniere du Haut Katanga. The Chairman evidenced appreciation of this intelligence support in the export licensing program. (8 March 1951)

- Conferred with [redacted] regarding distribution within O/RR of so-called "end-use" cables. Attempt being made to resolve this problem by receipt of additional copy of this type cable which will be used to augment D/A participation in the United States Export Control program. Such cables are scrutinized from point of view of commodity shortages within Soviet bloc and reliability of consignees.

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e. Consulted with Mr. William T. Staats (Air Targets Division, USAF) who was seeking information concerning productive capacity and inventories on hand for basic industries in Western Europe. Arrangements made for Mr. Staats to see [redacted]

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[redacted] he Geographic Division will supply Mr. Staats with certain map information. (8 March 1951)

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f. At request of the Department of Commerce, arranged for Mr. [redacted] (D/G) to attend an interagency Working Group to consider strategic ratings to be assigned certain map reproducing equipment. (8 March 1951)

g. (Follow-up on item (a) of Daily Diary, 8 March 1951, as requested by AD/RR)

During the interview with [redacted] of the Weapons Systems Evaluation Board, he expressed opinion that CIA could contribute most to the function of Target Selection by filling in the gaps from covert sources in event information is deficient.

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[redacted] then pointed out the requirements involved in the collection and evaluation of this type intelligence. [redacted] suggested that it would be helpful for D/A to conduct informal discussions with appropriate officers in G-2 and ONI and that in such discussions, the term "objectives" rather than targets should be employed. (8 March 1951)

Action: AD/RR information on all above.

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D/G: Represented CIA at a special precision instrument and equipment task group of the Export Control Advisory Committee, regarding map-making equipment. (8 March 1951)

Action: AD/RR information.

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D/B: [redacted] meeting today with Bureau of Mines, Interior, on NIS Program. (8 March 1951)

Action: AD/RR information.

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S/Ad: Serious shortage in clerical personnel. Unable obtain relief due low priority O/RR in CIA recruitment program.

Action: AD/RR information.